



Kannur International Airport Limited (KIAL)

October 07, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loans	892.00	SMERA BB-/Stable (Assigned)

SMERA has assigned rating of **SMERA BB- (read as SMERA double B minus)** to the above mentioned bank facility of Kannur International Airport Limited (KIAL). The outlook is '**Stable**'. The rating derives comfort from the extensive expertise of the management and support envisaged from the Kerala government (KIAL's key stakeholder). These rating strengths are partially offset by the company's exposure to project implementation risk.

Outlook: Stable

SMERA believes that the company would derive benefit from the experienced management and funding support from the Kerala government. The outlook may be revised to 'Positive' if the company registers greater than expected cash accruals owing to stabilisation of operations leading to improvement in financial risk profile, particularly liquidity. Conversely the outlook may be revised to 'Negative' in case of significant delays in project stabilisation leading to weakening of liquidity and financial risk profile.

Rating Sensitivity Factors

- Project implementation without significant time/cost overruns
- Timely funding support from Kerala government

About the Company

Incorporated in 2009 as a private limited company and reconstituted as a public limited company in 2010, KIAL is set up by the Government of Kerala to build, own and operate Kannur International Airport. The commercial operations at the airport are expected to commence from the second half of 2016-17.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: antony.jose@smera.in Web: www.smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.